

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

3AA-1

AGENDA ITEM SUMMARY

Meeting Date: February 6, 2007

☒ Consent ☐ Regular
☐ Ordinance ☐ Public Hearing

Department: Palm Tran

Submitted By: Palm Tran

Submitted for: Palm Tran

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: the write-off of uncollectible accounts receivable for revenue booked in FY 1998 that was due and owing from Heard Communications, Inc., d/b/a Gateway Outdoor Advertising in the amount of \$33,126.

Summary: Heard Communications had an advertising contract with the County (96-156/PR) to place advertising on the exterior of Palm Tran buses from December 1, 1997 through June 30, 1998. The Contractor was required to pay a guaranteed minimum with an annual audit to reveal if additional sales generated revenues in excess of the guaranteed minimum. The Contractor would then pay a percentage of the excess. Palm Tran received monthly payments of \$11,042 from Heard Communications for December 1997 to March 1998, but the accounts receivable includes the uncollected guaranteed minimum monthly payments of \$11,042 for the months of April, May and June, 1998, for a total of \$33,126. The contract default was referred to the County Attorney's office and a lawsuit against them was filed. A judgment in the case was awarded to the County, however, subsequent to the award, Heard Communications, Inc., filed for bankruptcy and there were no assets from the estate to pay off our judgment. Therefore, this outstanding accounts receivable needs to be written-off and moved over to the County's uncollectible database. Countywide (DR)

Background and Policy Issues: Heard Communications had a contract with the County (contract no. 96-156/PR) for a three (3) month emergency period (December 1, 1997 through February 28, 1998). The contract was subsequently amended to extend the contract through June of 1998, during which time the County would solicit contractors for a five (5) year term contract. Heard Communications was not awarded the new contract and refused to pay to the County the guaranteed monthly revenue for the three (3) month extension period. All legal remedies to collect this debt have been exhausted. Heard Communications subsequent bankruptcy case was discharged and the monies due the County will never be recovered. The write-off of this accounts receivable and moving it over to the uncollectible accounts receivable database will allow Palm Tran to eliminate this anticipated accounts receivable booked in FY 1998.

Attachments: 1. Aged Open Invoices report (FRE671) showing outstanding invoice with Heard Communications, Inc.

Recommended By:

Department Director

Date

Approved By:

Assistant County Administrator

Date

A. Five Year Summary of Fiscal Impact:


Is Item Included In Current Budget? Yes X No
Budget Account No.: Fund 1340 Dep't. 540 Unit 5160 Object 5602
Program

Approval of this agenda item will reduce Palm Tran's accounts receivable by \$33,126 as a result of this uncollectible account.

John Murphy Finance Mgr

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

Dr. J. Jacob 11/18/07
Contract Dev. and Control
11/18/07


Assistant County Attorney

Department Director

FRE671
12/12/2006
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PALM BEACH COUNTY, FLORIDA
AGED OPEN INVOICES
AS OF 12/12/2006

RECEIVABLE ACCOUNT: 1150

INVOICE NUMBER	INVOICE DATE	INVOICED AMT.	CLEARED AMT.	0 TO 30 DAYS	OUTSTANDING AMOUNT			
					31 TO 60 DAYS	61 TO 120 DAYS	OVER 120 DAYS	
PROVIDER: Heard Communications Inc C9PTN0000077	10/21/2005	33,126.00	PTHEAR01 0.00	0.00	0.00	0.00	0.00	33,126.00